

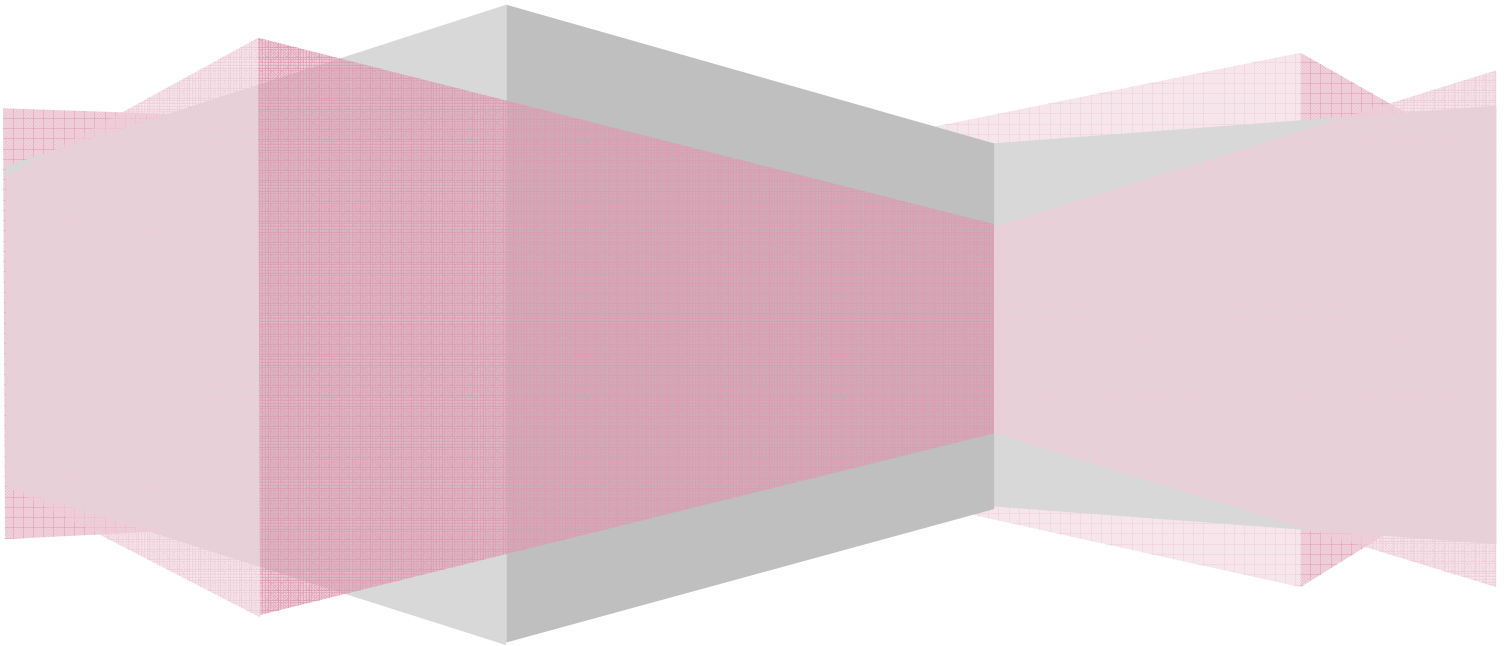
The State Business Portal

Whitepaper



Presented by:

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DOCUMENT OVERVIEW

Across the country, State governments are recognizing the need for streamlining the transactions and inter-agency interactions. This will help in avoiding losses, cutting costs and reducing the intricacies of setting up a business in the State, hence encouraging business.

The document outlines the contours of a “State Business Portal” application that can streamline the complete information workflow between different state agencies in a State. With the various State Agency systems, building their systems to support all inter-agency interactions and transactions with business & individual entities, one needs an integrated platform that will seamlessly integrate all their State Agency systems with minimum modifications. The purpose of this platform/portal will be to facilitate the interactions between Business Entities and all the State Agencies.

The portal will serve as a Single Access point for all business entities, right from setting up a business to obtaining licenses & permissions, to processing payments and other business transactions with the various Agencies in the State.

The portal will be built on a Service Oriented Architecture (SOA), and will seamlessly integrate the individual State Agency Information Systems, all built on different platforms using different technologies.

The document also provides a brief overview of a similar project “The Standard Business Reporting”, developed and implemented in Australia in Annexure I.

INTRODUCTION TO THE STATE BUSINESS PORTAL

The State Business Portal (SBP) will be a complete end to end system, enveloping the State Agencies' individual systems. It can be a universal interface for any interactions between Business entities and State Agencies, and also inter-agency transactions.

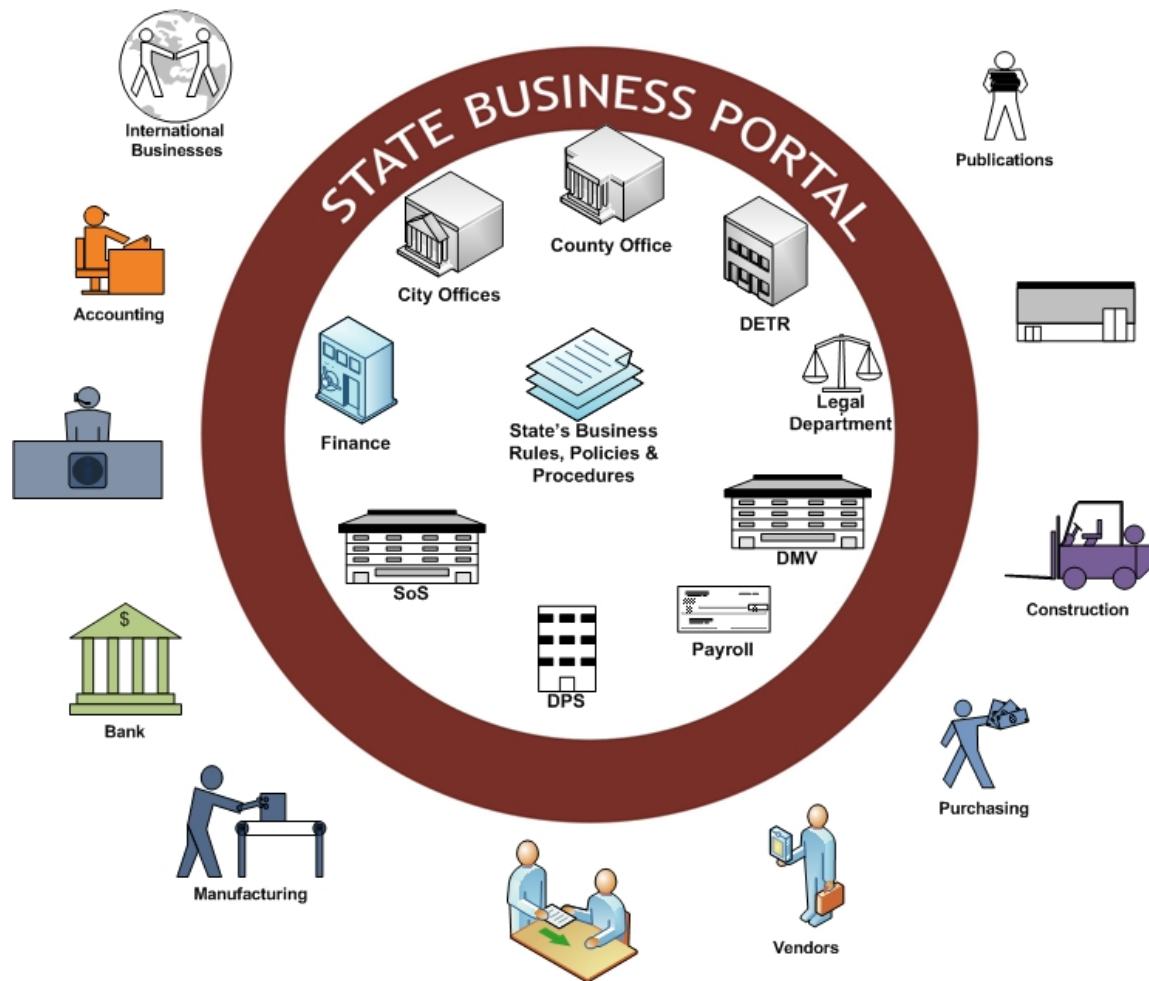


Figure 1: State Business Portal - Interface for All Business Transactions

FEATURES

Standard for Information Storage and Processing

The SBP will be the centre for all Business with the State Agencies and Inter-Agency Transactions. This implies that a large amount of data and information will be transferred, stored and processed by the Portal. In addition to this, the core of the SBP will consist of the rules, policies and procedures, pertaining to the establishments of businesses and ongoing Business Transactions with the State Agencies.

Hence there arises a need for implementing an Information Exchange Standard that can not only store the policies & procedures in the system, but is also platform independent enabling seamless interactions with various State Agency Systems.

XBRL (eXtensible Business Reporting Language) is a perfect fit for this requirement. Based on XML, XBRL is a platform Independent, royalty free standard, which stores data and its relationships in a manner that can be read and processed by Computers/Software.

XBRL Standard in SBP can bring in the advantages of platform independence, granular consistent data and seamless integration with State Agency systems.

SBP XBRL Taxonomy

Using the XBRL standard, the first step towards building SBP will be building XBRL taxonomy. The taxonomy will document all rules, policies and procedures in a set of interlinked electronic (XML) documents. These documents will be processed by SBP during all the transactions, with Business entities and with the Agencies.

The taxonomy will be developed after studying the policies and procedures of the State government, and where there is no documented rule/policy, the taxonomy experts will interact with the agencies to identify the best practices, subsequently document it.

The SBP will be built around these standard set of rules/policies/procedures. The policies and procedures taxonomy will be stored in the SBP central repository, and controlled by the SBP controller.

Workflow Based

The system will have a workflow intensive framework, based on the above mentioned rules and procedures. Hence, when a Business entity registered with the system initiates a transaction, the system will look at various criteria defined in the policies & procedures, and automatically guide the Business User to the Next Step.

The System will at any point in time maintain the status of every Business Entity and every State Agency registered with it.

Any State Agency logging into the System will be able to view the Business Transactions Requests from various Business Entities. The Agency if authorized will also be able to view the status of these requests with Other Agencies, and also be alerted if requests have been denied by any other agency.

Following is an illustrative use case that describes the functioning of SBP as a one stop shop for all business transactions.

The use case uses Incorporation of a Business Entity as an example, and how the various interactions between the Business Entity & State Agencies and Inter – State Agency happen in such a case.

USE CASE

Mr. Walker is planning to setup a cargo road transport business called Business A. For this, he needs to obtain licenses and clearances from a set of State Agencies.

Mr. Walker registers with SBP by providing the required credentials. The nature of these credentials will be defined during the development of SBP. The credentials will need to be sufficient for establishing that Mr. Walker is authorized to establish a Business in the State.

Mr. Walker will then be provided with his own page & login details to access it, where he can initiate a transaction.

Mr. Walker will select the option of “Setting up a Business” from a list of transactions that can be done through SBP. SBP will load the taxonomy and extract the details that are required by various State Agencies from Mr. Walker to process this request.

Often same set of information is submitted to different State Agency. The portal will eliminate this information redundancy. Mr. Walker will submit all the information once and specific information will be provided to the relevant State Agency.

SBP will generate a form based on this, this can be a web or a spreadsheet based form. Mr. Walker can fill in the details. Mr. Walker will also be able to upload documents required into SBP. These documents if sensitive in nature will be encrypted and stored.

After providing the details, Mr. Walker can then submit his application. SBP will validate the details entered with “Validation Rules”, defined in the taxonomy, and if successful will proceed to the next steps. If the validation fails, Mr. Walker will be alerted with the reasons and he can modify the application accordingly.

The information submitted by Mr. Walker, consisting of data and scanned documents, will be stored in the SBP Central Repository.

*No Multiple Submissions to Different Agencies:
Submit the information once; it will be accessible
to authorized users in different State Agencies.*

The System will refer to the rules & procedures saved in the system. Based on this, it will identify the list of Agencies which will be involved in approving the application. The system will also identify the process approval, and the order of agency approval required.

For example, Mr. Walker’s company’s application would go to the SOS first then from there it would be the Nevada Department of Taxation, DETR, Counties or City Licensing and then to others i.e. DMV, Public Safety.

The SBP hence will first extract required information from the Central Repository and convert it into the SOS System's Format. The System will alert the SOS user.

The SOS user can then log into the system and view the status of the Application submitted by Mr. Walker. The application will be processed by SOS using its own systems.

The Agency will then push the application processing result, which can be an approval letter or a rejection letter or a request for more details. This will be converted back to SBP format. In this case, if the Agency has approved it, the application will be forwarded to the next agency like Department of Taxation (DoT). DoT will get an alert, it will be able to download the application details into the system and also be able to see comments put in by the SOS agency if any.

Mr. Walker will be alerted by SBP for all application processing results by every agency, and also in case the Agency requires more information.

The Agencies will also be able to see how many times Mr. Walker has applied with the system previously, if any. Or how many such business transactions Mr. Walker has done with an Agency or Agencies in the System.

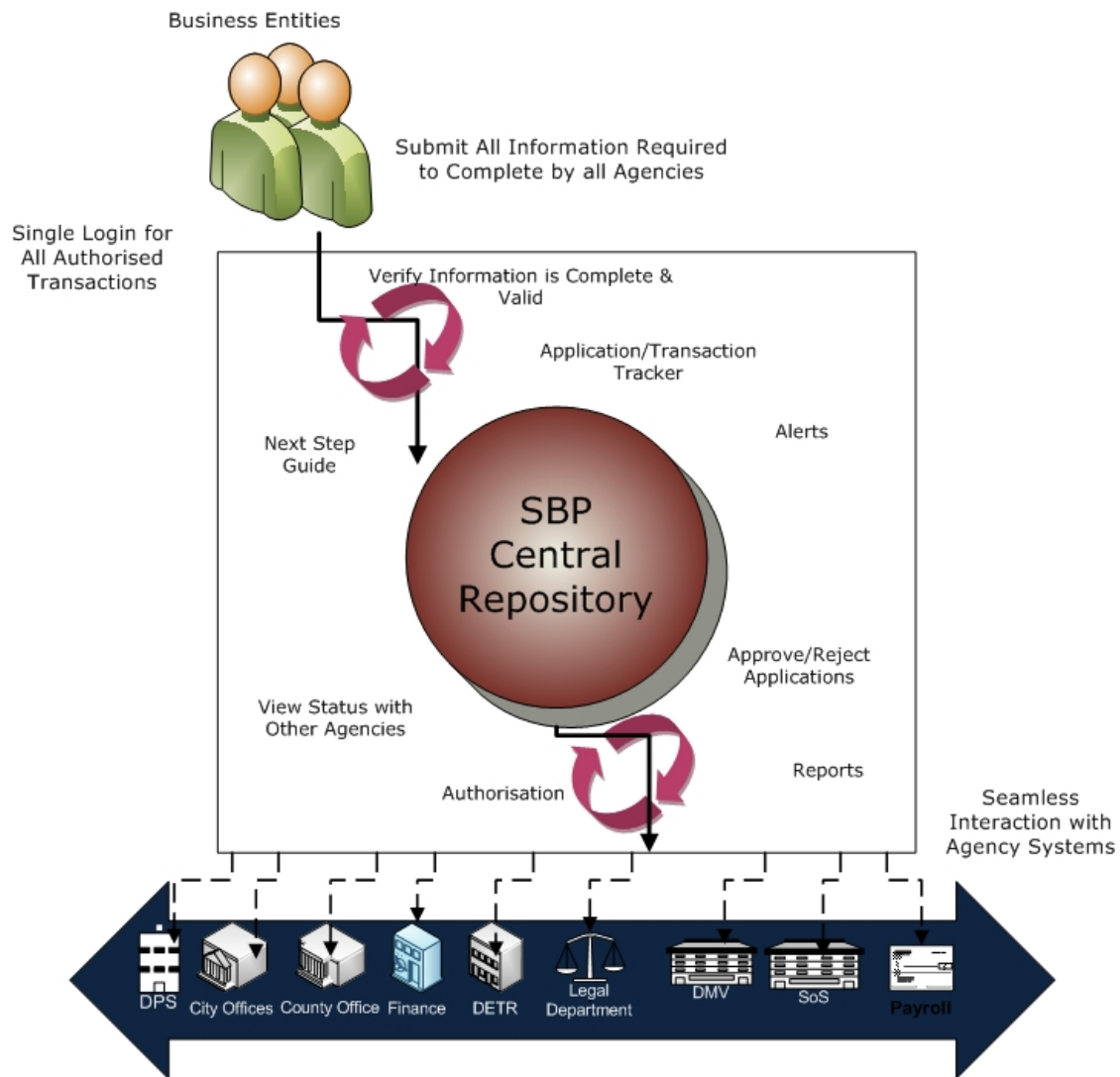


Figure 2: SBP Environment

Document Every Transaction, Generate Reports

The SBP Central Repository will document all transactions & interactions taking place between the Business Entities & the Agencies and also the Inter-Agency Transactions. The information in this repository, stored in XBRL format, will be at the most granular level, along with all the data relationships preserved. This will enable the SBP to generate any kind of report into the database, for managing monitoring & viewing transactions.

Integrate with all Agency Systems

The XBRL standard for information processing and flow within the system will enable the SBP to seamlessly integrate with the individual State Agency Systems.

For every State Agency, a *data map* will be created and stored in the system. The data map will map the SBP taxonomy with the data points in the State System. The SBP will have converters for every State Agency linked in the system. The converters will perform a two way process of converting information from SBP format (XBRL format) to the specific State Agency format and State Agency format to SBP format.

The interactions between the State Agency & the SBP will be over a secured connection and it can also be on the State Intranet.

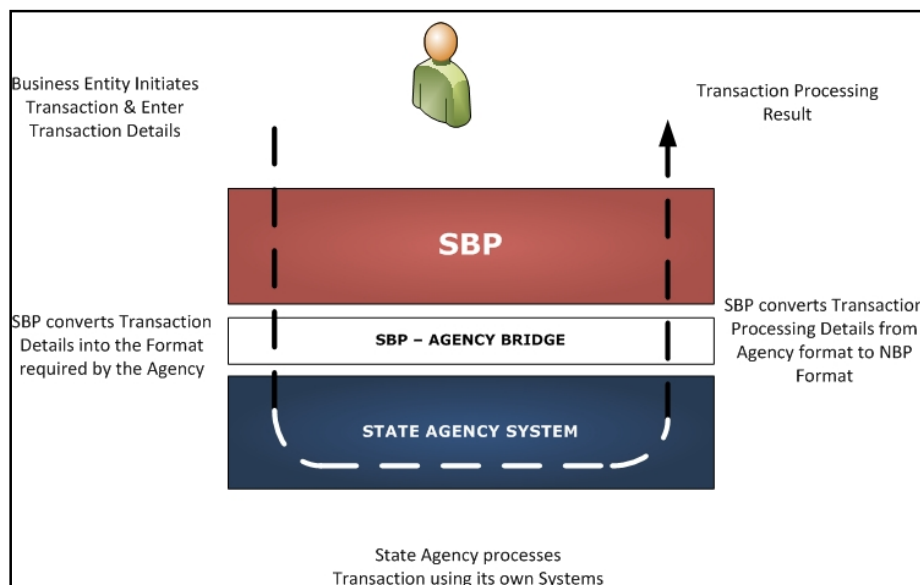


Figure 3: Transaction Processing in SBP

Security

The SBP will be a pool of sensitive information flowing between various authorized entities. Hence security will be a very large area of focus when the system is being conceptualized, developed, deployed and maintained.

The SBP architecture will be built to keep in mind the security of the information & the system. Adequate Authorization mechanism for ensuring that only authorized users gain access to the system. Information will be transferred over secured http layer (HTTPS). Sensitive information will be encrypted before transfer, and will be encrypted and stored in the repository.

Access will be restricted to the SBP central repository. State Agencies will be able to access the information over the secured Intranet. The SBP bridge converting information from XBRL format to State Agency formats and vice versa will ensure that the information is accessible only to the authorized State Agency.

CHALLENGES FORESEEN

The benefits of implementing the SBP in the State system are manifold. However, it is essential to recognize the challenges one can face during implementation of such a system. These challenges though not road blocks, but can be considered as major hurdles.

- Studying & Documenting the Rules, Policies & Procedures
- Getting the State Agency Systems Together

STEPS TOWARDS BUILDING SBP

Following can be the next Steps towards building the SBP.

- Getting all State Agencies together to commit to development of this portal
- Adopting XBRL Standard for the information exchange in the portal
- Setting up a team of people, comprising of State Agency Representatives & an implementation team which will be responsible for building the system.
- The State Government must ensure that the system being built is compliant to the XBRL specification 2.1, and that the vendor possesses the required experience & expertise in building XBRL based systems.

*Portal will automatically guide the Transaction Process:
Triggers and alerts updating Business Entities & State Agencies about next steps, pending actions, and actions complete.*

MASS COLLABORATION OF STATE GOVERNMENTS

One Step Ahead

The SBP, with all its functionalities enables cross state agency interactions. This is possible through the SBP taxonomy which is based on the XBRL 2.1 standard. With different state governments, having state agencies performing similar operations and businesses, there is a possibility to build a taxonomy common across various State Governments.

This Common Taxonomy can include concepts, rules & policies common to all State Governments and each of the State Governments can extend it to include their state specific concepts & rules/policies.

This also enables seamless & swift transactions between different state agencies belonging to different states, with the state agencies having a standard taxonomy & format for information exchange.

The common taxonomy can be built based on the study of the different State Governments rules, policies & procedures, and the transactions and interactions between each of the State Agencies.

It is strongly recommended that this taxonomy once built must be ratified by the XBRL International Inc (XII), and get an approval status. This process will ensure that the taxonomy complies with the XBRL standard & specifications, and also a guarantee that it brings along all the XBRL benefits, for the various state governments to build their XBRL based State Business Portal around it.

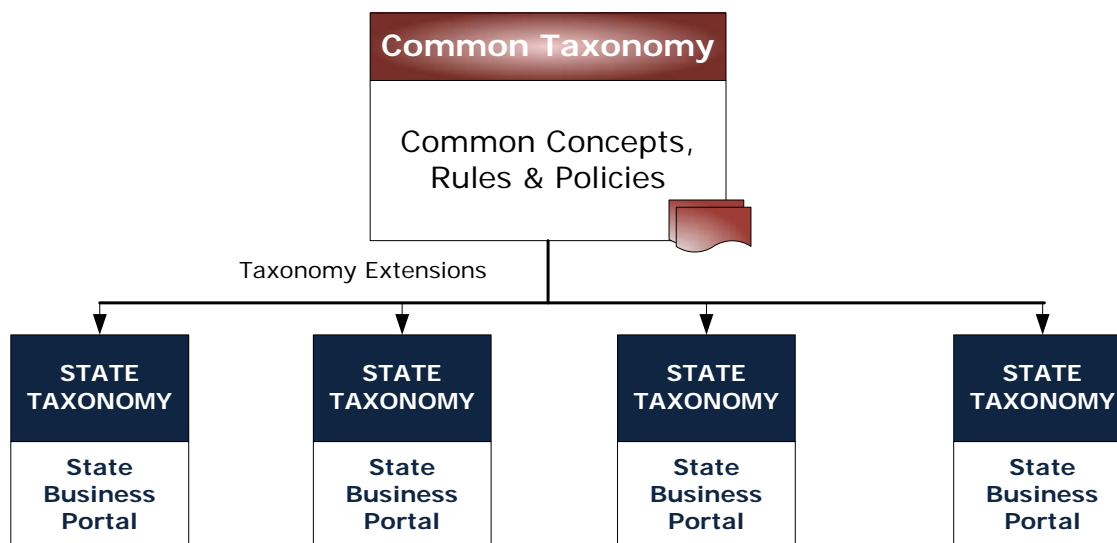


Figure 4: Common Taxonomy & State Extensions

ANNEXURE I

STANDARD BUSINESS REPORTING (SBR) – AUSTRALIA

Current reporting requirements impose a significant burden on business - a burden that the Australian Government aimed at reducing using SBR. SBR is a multi-agency initiative that will simplify business-to-government reporting by:

- Making forms easier to understand
- Using accounting/record keeping software to automatically pre-fill government forms and
- Introducing a single secure way to interact on-line with participating agencies.

As a result, businesses and their intermediaries will have a faster, more efficient reporting mechanism. Key benefits to business will include:

- reduced time and effort spent preparing reports for government by businesses, accountants and bookkeepers
- reduced time and effort spent filing reports for government and
- Reduced time and effort spent dealing with errors.

SBR is expected to save Australian businesses \$795 million per year on an ongoing basis, freeing up resources for more profitable activities. In addition, accountants, bookkeepers, tax professionals and software developers will have access to a powerful system for improving service delivery and productivity.

The SBR initiative is a joint collaborative effort between the Australian State Agencies, Business Entities and Software Vendors.

Following benefits were recognized by the SBR participants:

Benefits to business

Less cost:

- less time and effort required to report to government
- less money required for reporting
- reduced payments to government through license and registration fees

Easier reporting:

- a single, easy to use sign-on to on-line services
- the capability to pre-fill forms as much as possible directly from accounting and record keeping software
- the capability to send forms electronically to the correct government agency
- simpler, more intuitive reporting processes
- clearer, more consistent reporting requests
- less training required to understand reporting processes and tools
- Less inconvenience and frustration:
- less wasted effort on activities such as duplication
- clearer language will make forms easier to understand
- immediate responses to enquiries will cut waiting times
- less running around through more helpful responses
- a better understanding of the total reporting burden facing business

More confidence

- less errors in government work
- online validation of forms and confirmation when forms are received
- less likelihood that errors will be made

- less queries and follow up from agencies
- more certainty about transactions

Benefits to the economy

The introduction of standard business reporting will boost business productivity and economic growth. Benefits will include:

Increased business output and productivity

A reduced reporting burden will give businesses more time to focus on commercial activities. In addition SBR will allow access to up-to-date financial performance information allowing for better business direction, growth and investment decisions.

Management of reporting creep

To reduce the chance of individual agencies adding additional and unnecessary reporting items, SBR will develop a reporting taxonomy and a process to govern the introduction of new reporting information.

More efficient markets

By adopting high standards for electronic financial reporting, participants in Australian markets will have access to international quality standardized financial data.

Innovation in the private sector

SBR reporting taxonomies are based on open standards allowing innovative private sector companies to create SBR compatible systems. For example, auditing could be made considerably faster and more detailed with a system designed to use interactive data.

Benefits to government

SBR will improve the quality of data submitted to government, reducing ongoing administrative costs. The government will benefit from:

- reduced costs in dealing with unintentional non-compliance
- reduced cost of data exchange among government agencies
- improved collaboration among government agencies
- a faster and more consistent way to resolve business reporting queries
- more efficient and effective revenue collection and regulatory monitoring

- increased electronic reporting leading to a reduction in paper lodgements with potential savings downstream associated with scanning, storage and re-keying of information and
- Consistent data feeds into an improved policy development and implementation process.

SOURCE: <http://www.sbr.gov.au/>

ABOUT THE AUTHOR



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Kim Wallin is a member of the XBRL International Public Sector Work Group, a member of the AGA Partnership for Intergovernmental Management and Accountability Steering Committee and is a Director on the NASC Executive Committee, in addition to being a member of the AICPA, NSCPA, NASACT and AGA.

A native Nevadan, she is the first CPA to be elected to the office of State Controller in 50 years. She is also the first CMA (Certified Management Accountant) to hold this office.

Accounting Today recognized Wallin as one of the 100 most influential people in accounting in the country. In September 2006 she was named “Woman CPA of the Year” of the entire country by the American Women’s Society of CPA’s.

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